

MICHIGAN DEPARTMENT OF EDUCATION
Office of Special Education and Early Intervention Services
(Revised April, 2008)

SUBJECT: Special Education Allowable Expenditures for State Funds for
2007-08 and 2008-09 and Federal Funds for the 2008-09
School Year

Sections 51a, 52, 53a of the State School Aid Act limit categorical reimbursement to costs approved by the Department of Education. Federal flowthrough funds for the Individuals with Disabilities Education Improvement Act (IDEA) are appropriated in Section 51a of the State School Aid Act and are subject to the same funding criteria as state funded programs.

The following is a list of items approved to be included as direct costs on the SE-4096 Special Education Final Cost Report, IDEA Federal Grant application, and Final Cost Report form DS-4044. This list also applies to on-grounds juvenile detention programs funded under Section 24 of the State School Aid Act. Items not on this list require prior Department written approval before being charged to the Federal grant or state aid.

Districts are reminded that costs contracted from another Michigan public school district may not be reported on the SE-4096 and Section 24 budget and cost reports.

Account Codes

Function <u>Code</u>	Object <u>Code</u>	[Program] <u>Code</u>
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122	INSTRUCTION—SPECIAL EDUCATION CLASSROOMS SALARIES (Column 3)	
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1240 Teacher costs must be reported using program codes:

- [110] Mild Cognitive Impairment
(educable mentally impaired)
- [120] Moderate Cognitive Impairment
(trainable mentally impaired)
- [130] Severe Cognitive Impairment
(severely mentally impaired)
- [140] Emotional Impairment
- [150] Specific Learning Disability
- [160] Hearing Impairment
- [170] Visual Impairment
- [180] Other Health Impairment
- [190] Severe Multiple Impairment
- [191] Early Childhood Special Education
- [192] Severe Language Impairment
- [193] Autism Spectrum Disorder
- [194] Resource Program

1620 Secretary/clerical must work 100% of their employment in
special education (state funds only)

1630 Aide Salary (must work 100% of their employment in
special education, report by program assignment)—
Instructional aides must be reported under Function
Code 122—Instruction (lines 1-15 on the SE-4096)

<u>Function Code</u>	<u>Object Code</u>	
122	1690	Interpreter
	1860	Substitute or temporary aide
	1870	Substitute Teacher (substitutes for IDEA professional development activities are reported under Function Code 221)
	1880	Substitute or temporary clerical

PURCHASED SERVICES

(Column 5)

- 3110 Contracted Instructional Services
(Public School Academies only).
Approved special education instructional staff must be reported using the program codes on page 1.
- 3130 Professional/Technical contracted audiological medical service, psychologist, or other student services (reported under appropriate function codes).
- 3190 Other Professional/Technical services for staff such as medical consultation not provided under employee benefits.
- 3210 Local Travel for staff traveling between buildings only.
Note: Inservice/Conference travel is recorded under Improvement of Instruction as Function Code 221, Object Code 3220 for instructional staff. Inservice/Conference travel for support services staff is recorded under Function Code 283, Object Code 3220.
- 3610 Printing for instructional materials on a contracted basis.
- 4120 Instructional Equipment Repair and Maintenance is limited to instructional equipment (i.e., hearing aides) used 100% for special education. **This does not include repair or replacement costs for copy, fax, or other non-instructional machines.**
- 4220 Rental of special education instructional equipment; i.e., wheelchairs. **This does not include rental of copy, fax, or other non-instructional machines.**

SUPPLIES

(Column 6)

- 5110 Teaching Supplies and Materials includes consumable items and equipment valued under \$1,000 for each piece for state funds and \$5,000 for federal funds. Only items used for pupil evaluation or instruction are reimbursable. Furniture and instructional equipment ordinarily available for regular education pupils are not reimbursable, including such items as desks, chairs, lockers, movie and overhead projectors. Objects of expenditure should be assigned on a direct charge basis to each program.
- 5210 Textbooks for exclusive special education use including braille and Talking Book expense.
- 5310 Library Books are limited to center programs in self-contained special education building and Special Education Learning Material Centers.
- 5410 Periodicals for special education pupil use only.

Function Code	Object Code
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122 **CAPITAL OUTLAY**
(Column 7)

64xx Capital Outlay refers to nonconsumable instructional equipment items costing \$1,000 or more (for each piece) for state aid and \$5,000 or more (for each piece) for federal grants. Furniture and instructional equipment ordinarily available for regular education pupils such as movie projectors and lab tables are not reimbursable. Computers used 100% in special education classrooms for instruction are reimbursable.

OTHER EXPENDITURES
(Column 8)

7410 Dues and Fees for special education personnel memberships in professional organizations related to special education, as well as, professional licenses for instructional and support personnel. Criminal background check fees for teachers are included here for 2006-07. Beginning with the 2007-08 year, criminal background checks and Hepatitis B vaccines are recorded under Function Code 283, Object Code 3190 or 7410.

EMPLOYEE BENEFITS FOR INSTRUCTIONAL STAFF ONLY
(Column 4)

2100 Insurance; i.e., individual health, dental, life, and other benefits in the 2100 series.
2400 Professional Services
 2410 – Physicals, Hepatitis B shots
2800 Retirement, Social Security, Medicaid, and other employee benefits included in the 2800 series.

Refer to Attachment A, "Reimbursement for Unemployment Costs for Special Education Personnel as well as Personnel Eligible for Funding under Section 24 of the State School Aid Act," before charging unemployment.

2920 Cash Payments in lieu of benefits in the 2100 series.

213 **HEALTH SERVICES**

1160 Supervision (must be at least half-time special education and for state funds only)
1410 Physician (when listed as an employee)–for diagnosis or evaluation services only
 Note: Services provided by a physician (other than for diagnostic or evaluation purposes) are subject to the medical services exclusion and not reimbursable (Garret vs. U.S. Supreme Court, March 3, 1999).
1450 Nurse (special education only)
1470 Physical Therapist

<u>Function Code</u>	<u>Object Code</u>	
213	1480	Occupational Therapist
	1490	Other Technical (Department approval required)
	1620	Secretary/clerical must work 100% of their employment in special education (state funds only)
	1630	Aides (must work 100% of their employment in special education, includes health care aides serving the OT, PT and Nurse)
	1860	Substitute or temporary aide
	1880	Substitute or temporary clerical
	3000–7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)
214	PSYCHOLOGICAL SERVICES	
	1430	Psychologist/psychiatrist
	1620	Secretarial/clerical must work 100% of their employment in special education (state funds only)
	1630	Bilingual Aides under R 340.1793
	1860	Substitute or temporary aide
	1880	Substitute or temporary clerical
	3000–7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)
215	SPEECH PATHOLOGY AND AUDIOLOGY	
	1280	Speech and Language Therapist
	1490	Audiologist
	1620	Secretary/clerical must work 100% of their employment in special education (state funds only)
	1630	Bilingual Aides under R 340.1793
	1820	Substitute for speech audiology
	1860	Substitute or temporary aide
	1880	Substitute or temporary clerical
	3000–7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)
216	SOCIAL WORK SERVICES	
	1440	School Social Work
	1620	Secretary/clerical must work 100% of their employment in special education (state funds only)
	1630	Bilingual Aides under R 340.1793
	1820	Substitute School Social Worker
	1880	Substitute or temporary clerical
	3000–7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)

Function	Object
<u>Code</u>	<u>Code</u>

217 VISUAL AID SERVICES

1270 Media specialist for the Visually impaired
 1290 Orientation and Mobility Specialist
 1620 Secretary/clerical must work 100% of their employment
 in special education (state funds only)
 1630 Aide (must work 100% in special education)
 1860 Substitute or temporary aide
 1880 Substitute or temporary clerical
 3000–7000 Series, refer to page 2 for directions (contracted costs
 from another Michigan public school district may not be
 reported)

**218 SPECIAL EDUCATION TEACHER CONSULTANT AND EARLY
CHILDHOOD SERVICES**

1250 Instructional Consultation including special education teacher
 consultants and nonclassroom early childhood special
 education staff – this line is for personnel functioning
 as a teacher consultant only. Personnel functioning as
 classroom teachers and teacher consultants are reported
 as instructional personnel (contact the Department for
 reporting requirements).
 1620 Secretary/clerical must work 100% of their employment
 in special education (state funds only)
 1630 Aides (must work 100% of their employment in special
 education) for PPI services only
 1820 Substitute Teacher Consultant
 1860 Substitute or temporary aide
 1880 Substitute or temporary clerical
 3000–7000 Series, refer to page 2 for directions (contracted costs
 from another Michigan public school district may not be
 reported)

219 OTHER PUPIL SERVICES

This includes Transition Coordinator, Music Therapist, Recreation
 Therapist, Teachers of Homebound/Hospitalized and Other Professional
 Personnel who qualify under R 340.1792 and are not included elsewhere.

1490 Other Professional Personnel
 1620 Secretary/clerical must work 100% of their employment
 in special education (state funds only)
 1630 Aides (must work 100% in special education)
 1860 Substitute or temporary aide
 1880 Substitute or temporary clerical
 1890 Substitute Homebound/Hospitalized
 3000–7000 Series, refer to page 2 for directions (contracted costs
 from another Michigan public school district may not be
 reported)

Function Code	Object Code
221	IMPROVEMENT OF INSTRUCTION
	1870 Substitute Teachers (IDEA professional development activities only)
	3000–7000 Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)
226	SUPERVISION AND DIRECTION OF INSTRUCTIONAL STAFF State Funds Only
	1120 Assistant Superintendent/Director of Special Education with the title of Assistant Superintendent (must be at least half-time and state funds only). ISD Special Education Directors must be full time and state funds only.
	1160 Supervisors (must be at least half-time and state funds only)
	1170 Director of Special Education who is not an Assistant Superintendent (must be at least half-time and state funds only). ISD Special Education Directors must be full time and state funds only.
	1620 Secretary/clerical working 100% of their employment in special education (state funds only)
	1880 Substitute or temporary secretary/clerical (state funds only)
	3000–4000 Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)
231	BOARD OF EDUCATION (Purchased Services Only)
	3170 Hearing Officer and Mediation Fees. Hearing officer fees when an attorney is a hearing officer as required by special education rules. <i>Note: School attorney fees for hearings are not allowable.</i>
	3180 Federal audit expenses. Chargeable to the appropriate federal grant only provided there is a bill showing actual audit costs. <i>Not allowed for state aid.</i>
	3190 Professional technical. Hearing officer and mediation fees if an attorney is not used. Court recorders for hearing cost are included here.
241	OFFICE OF SCHOOL PRINCIPAL State Funds Only
	1160 Special education supervisors acting as principals where the school building is used solely for special education purposes—state funds only
	1620 Secretary/clerical working 100% of their employment in special education (state funds only)
	1880 Substitute or temporary secretary/clerical (state funds only)

Function Code	Object Code
241	3000-4000 Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported) 7000–Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)
261	DIRECT OPERATION AND MAINTENANCE State Funds and State Discretionary Projects Only <p>Limited to facilities used solely for special education where the direct cost method is used. If a district chooses to use this method, the district must include a description of how the direct operation and maintenance is calculated. The district may not charge indirect costs for any special education supportive or related service housed in a facility for which direct operation and maintenance is charged. A description must accompany the SE-4096 and include: (a) a list of all special education programs, support services, and related service personnel housed in the facility; (b) the salary and related costs for each; and (c) the procedure used to deduct these costs from the indirect cost claimed by line item.</p> <p>Special procedures and examples are available from the Office of Special Education and Early Intervention Services upon request. The combination of direct and indirect totals cannot exceed the limit established in the State School Aid Act which is presently 15 percent.</p> <ul style="list-style-type: none"> 1550 Crafts and Trades 1620 Other Operation and Services. This is limited to switchboard operator or receptionist in a facility used exclusively for special education. 1640 Custodian 1670 Laborer 2000 Employee Benefits (same as for teachers, see page 3) 3000 Purchased Services 3800 Utilities 3900 Insurance 4100 Repair and Maintenance Services 4200 Rentals 5900 Supplies and Materials for Operation and Maintenance
271	PUPIL TRANSPORTATION <p>This code is used to report costs for federally funded field trips and Department approved Section 53a transportation. Refer to Attachment C, "Use of Federal Funds Under the Individuals with Disabilities Education Act to Reimburse Field Trips."</p> <p>Section 53a transportation expenditures are carried forward from the SE-4094 Transportation Expenditure Report to this line.</p>

Function	Object
<u>Code</u>	<u>Code</u>

281 **PLANNING, RESEARCH, DEVELOPMENT AND EVALUATION**
(Line 35)

Costs limited to those 100% attributable to special education programs and services.

- 1180 Special education approved personnel functioning as planner/monitors, child find coordinators, or compliance personnel.
- 1620 Secretary/clerical working 100% of their employment in special education (state funds only)
- 1880 Temporary clerical (state funds only) must work 100% of their employment in special education.
- 3000–7000 Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported).

283 **STAFF/PERSONNEL SERVICES**

- 3220 Workshops/conferences for non-instructional personnel

284 **SUPPORT SERVICES TECHNOLOGY**
For ISD Central Registry Use Only
(Line 35)

Data processing costs related to instructional materials are reported under instructional function. If the districts operate their own computer program, an auditable method of billing must be used. Reimbursement is limited to operational costs and may not include purchase or replacement of equipment in the service cost. Refer to Attachment B for more detail.

- 1510 Data Processing Personnel (one secretary/clerical may be federally funded for the central registry at the ISD only)
- 3160 Contract data processing services for central registry only from a nonschool entity. Costs cannot include programming charges or overhead costs. They are limited to machine time, keypunch and supplies. Refer to Attachment B, "Use of Special Education Funds for Computers and Related Expenses."

299 **OTHER SUPPORT SERVICES**

- 4910 Other Purchased Services - room and board for special education students.

EMPLOYEE BENEFITS FOR SUPPORT SERVICE PERSONNEL ONLY
(Column 2)

- 2100 Insurance of individual health, dental, life, etc.
- 2400 Professional Services
 - 2410 – Physicals, Hepatitis B shots

Function Code	Object Code	
299	2800	Retirement, Social Security, Medicaid, and other benefits included in the 2800 series. Before charging unemployment, please refer to Attachment A.
	2920	Cash Payments in lieu of benefits in the 2100 series.
331		COMMUNITY ACTIVITIES
	3220	Travel Expenses for Special Education Parent Advisory Committee members.
421		PAYMENTS TO OTHER GOVERNMENT UNITS OUTSIDE THE STATE
	8310	Tuition for pupils attending public school in another state. This is restricted to either districts that border another state or placements approved under the November 14, 1989 State Board Policy, "Application and Procedure for State Board of Education Authorization for Public Education Agency Placement of a Handicapped Pupil in a Private School."
431		PAYMENTS TO THE STATE SCHOOLS FOR DEAF AND BLIND Intermediate School Districts (ISD) Only
	3710	Tuition for the Michigan Schools for the Deaf and Blind may be charged to either state or federal funds.
441		PAYMENTS TO OTHER GOVERNMENTAL ENTITIES
	8910	Transfers to the Michigan Department of Career Development, Rehabilitation Services (MDCD-RS), related to a cooperative agreement that assures the district receives special education services at least equal to the amount transferred to MDCD-RS, are eligible. Report these costs on line 40, column 8.
	8910	Transfers to the Department of Community Health, the Department of Human Services or other governmental units for cooperative services, are not reimbursable. Section 51a limits reimbursement to "approved special education personnel."

Technical Assistance

Direct any questions to the Program Finance Unit at the following address and telephone numbers:

Michigan Department of Education
Office of Special Education and Early Intervention Services
Program Finance
P.O. Box 30008
Lansing, Michigan 48909

Telephone: (517) 373-6309 (regarding federal funds)
(517) 241-4517 (regarding state funds)